

Council Meeting of
August 3, 2010

Honorable Mayor and Members
Of City Council
City Hall
Torrance, California

Members of Council:

SUBJECT: Accept and file Investment Reports for June 2010

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of June 2010.

FUNDING

Not applicable

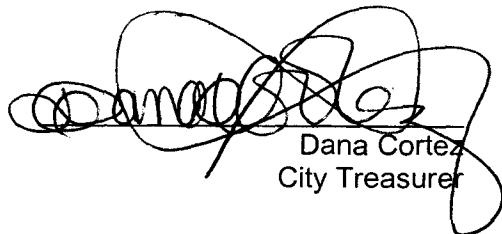
BACKGROUND

On December 08, 2009, Your Honorable Body, through passage of Resolution 2009-118, adopted an official "Statement of Investment Policy" as recommended by the City Treasurer. The City's Statement of Investment Policy requires the City Treasurer to report a monthly statement of investment activity. This requirement was providing the attached report, which demonstrates the City of Torrance investment activity during the month of June 2010.

Investment Committee Note

The Investment Committee, made up of the Finance Director, City Manager, Assistant City Attorney, and City Treasurer, as created by your Honorable Body, has reviewed the attached report and find that it is in concurrence with the City of Torrance Investment Policy. In addition the investment report was modified to include both the monthly as well as annualized effective rate of return which includes the gains/losses of the portfolio activity.

Respectfully submitted,



Dana Cortez
City Treasurer

Noted:



LeRoy J. Jackson
Investment Committee Member

CITY OF TORRANCE

MONTHLY INVESTMENT PORTFOLIO REPORT
For the Month of June 2010Table of Contents

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**City of Torrance
Investment Portfolio Highlights
For June 2010**

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	2.134	1.948
Average U.S. Treasury Constant Maturity	.610	.760
LAIF Average Monthly Return	.5280	.560
Average City Portfolio YTM - 1 year prior	3.040	3.138

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	4,365,022	7,101,661
Current month	290,239	495,738

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	943	813
Average Maturity 1 Year Prior (days)	792	774
Weighted Average Maturity (years)	2.58	2.23

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	52,350,705	14
Maturities	79,778,690	26

Transactions include 3 deposits to and 9 withdrawals from LAIF, 2 purchases and 6 maturities of the Union of Bank Money Market Sweep Account.

VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31

<u>GASB required securities</u>	<u>Beginning Investment Value as of July 1, 2009</u>	<u>Purchase/Redempt. Of Principal</u>	<u>Change in Market Value</u>	<u>Ending Investment Value as of June 30, 2010</u>
Federal Agency (coup)	113,311,155	-9,958,592	-93,013	103,259,550
Treasury Securities	4,111,960	-4,000,000	-111,960	0
Medium Term Notes	21,408,439	-7,286,964	383,419	14,504,894
Municipal Bonds	1,056,794	-417,670	0	639,124
SUB-TOTAL PER GASB 31	139,888,348	-21,663,226	178,446	118,403,568
<u>Non-GASB securities</u>				
LAIF	50,300,000	-10,000,000	0	40,300,000
Money Market	0	0	0	0
Federal Agency – Disc.	0	-18,704	18,704	0
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	200,000	-200,000	0	0
Negotiable Certificate Deposits		2,450,000	0	2,450,000
Commercial paper	0	0	0	0
TOTAL PORTFOLIO	190,388,348	-29,431,930	197,150	161,153,568

The market values contained on this report are received from Union Bank of California and are believed to be reliable.

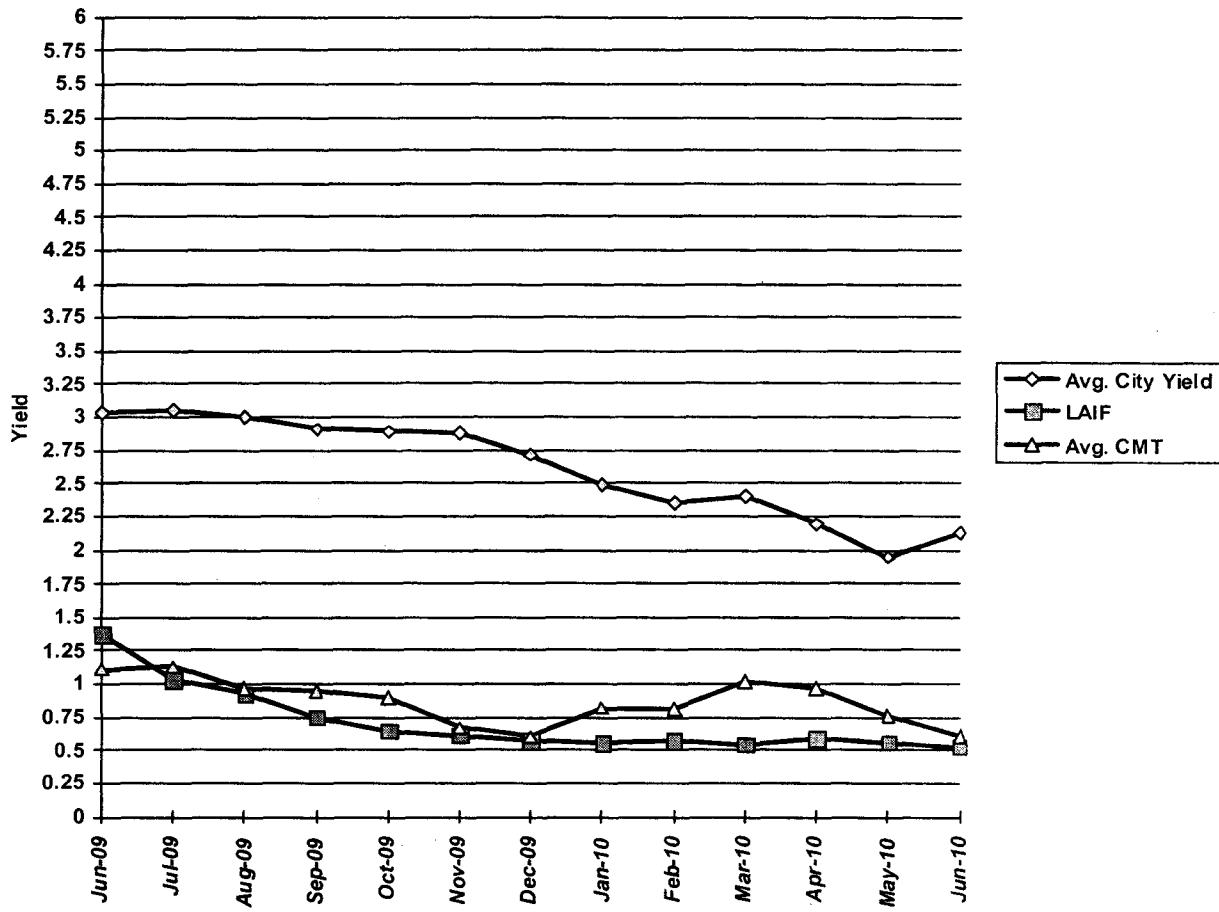
CITY OF TORRANCE

City Treasurer's Office

*Monthly Investment Report Summary
For the month of June 2010*

I. Return

32.42% of the portfolio is invested at one-year maturity or less as of June 30, 2010. The City Average yield on the portfolio was 2.134% compared to .610% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of June 30, 2010 by 152 basis points.



II. Volumes

The investment activity for May included 11 deposits and 6 redemption in the Union Bank of California money market account.

III. Diversification of Investments

In the month of June there were 9 purchases for a total of \$22 million with an average yield of 1.50%. There were 11 calls for a total of \$15 million with an average yield of 2.569%. The activity in the LAIF Account consisted of 3 deposit for a total of \$3.8 million and 9 withdrawals for a total of \$31.2 million. The portfolio decreased by \$11.5 million. The investment report was modified to include the effective rate of return which includes gains/losses of instruments actively traded within the portfolio.

<u>Asset Category</u>	<u>June</u>	<u>May</u>
1. LAIF	19.30	31.83
2. Certificate of Deposits	.00	.00
3. Negotiable Cert. of Deposits	1.64	1.39
4. Money Market Sweep	.00	3.97
5. Federal Agency Issues(coup)	69.10	54.40
6. Federal Agency Issues(disc)	0.00	0.00
7. Treasury Securities	.67	.57
8. Treasury Securities(disc)	0.00	0.00
9. Medium Term Notes	8.76	7.40
10. Municipal Bonds	.53	.44
11. Commercial Paper(disc)	0.00	0.00
	100.00%	100.00%

IV. Maturity

As of June 30, 2010, the current maturity allocation is 28.58% of the portfolio invested between the 6 month to 3-year maturity levels. 29.49% of our portfolio is under the 0-6 month maturity level, we are adequately meeting the 6-month liquidity requirement of SB 564* with approximately \$50.28 million available for expenditures.

<u>As of Maturity</u>	<u>June</u>	<u>May</u>
0 to 6 months	29.48%	36.96%
6 months to 1 year	2.93%	1.70%
1 to 2 years	6.74%	4.81%
2 to 3 years	18.91%	15.72%
3 to 4 years	17.89%	17.57%
4 to 5 years	24.05%	23.24%
5 years and after	.00%	.00%
	100.00%	100.00%

V. Value

The Governmental Accounting Standards Board (GASB) has established Statement No. 31 for setting investment valuation standards. We will note the unrealized gain/(loss) monthly although we will not physically apply it to earnings until year-end, as GASB 31 requires. The portfolio paper gain or loss is the difference between the book and market value of securities with a maturity term of one year or greater at purchase. The disclosure of paper losses reveals the worse case scenario of liquidity in our portfolio. The philosophy of the city is to buy and hold to maturity.

NOTE: *SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and moneys of the local agency. It also requires a statement of compliance of the portfolio with the statement of investment policy and a statement of the local agency's ability to meet the expenditure requirements of the pool for the next six months.

**City of Torrance
Investment Portfolio Summary
As of June 30, 2010**

Investment Type	Book Value	Percent of Portfolio	Percent Permitted by Policy	Average Term	Average Days to Maturity	Maturity Allowed by Policy	365 Equiv.
Local Agency Investment Fund	28,775,000	19.30%	**	1	1	N/A	.560%
Certificates of Deposit - Collateralized	00	.00		180	0	5 years	.00%
Negotiable CDs	2,450,000	1.64		1,023	752	5 years	2.145%
Money Market Sweep Account	00	.00%		0	0		.24%
Federal Agency Issues - Coupons	103,047,346	69.11%	75%	1,450	1,239	5 years	2.434%
Farmer Mac	0	0.00%	30%			5 years	
Federal Farm Credit Bank	22,548,246	15.20%	30%	1,257	1,404	5 years	2.477%
Federal Home Loan Bank	39,489,837	25.54%	30%	990	1,039	5 years	1.650%
Federal Home Loan Mortgage Corp.	13,999,263	9.40%	30%	1,326	1,426	5 years	2.463%
Federal National Mortgage Assoc.	27,000,000	18.08%	30%	1,220	1,293	5 years	1.980%
Treasury Securities - Coupons	999,937	.67%	100%	1,816	14	5 years	4.057%
Medium Term Notes	13,056,114	8.76%	20%	1,266	799	5 years	2.805%
Municipal Bond Issues - Coupon	783,841	.53%		3,848	731		7.999%
Total Investments & Averages	149,112,239	100.00		1,162	943		2.134%
Effective Rate of Return		Month Ending 2.05%	Fiscal YTD 2.72%				
Pending Redemptions	0						
Accrued Interest at Purchase	4,478						
Total Accrued Interest	4,478						
TOTAL CASH & INVESTMENTS	149,116,718						

Portfolio Notes:

**Maximum allowed by Investment Policy is \$50 million per agency.

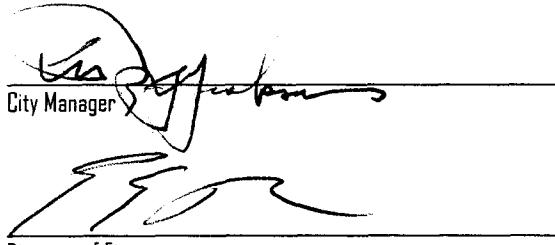
General LAIF account = \$ 22,175,000

RDA LAIF account = \$ 6,600,000

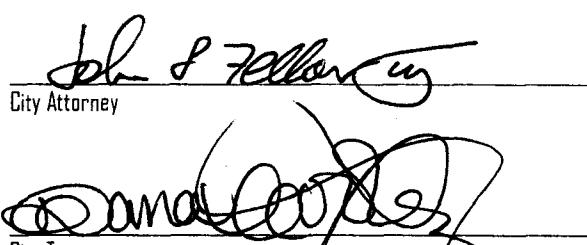
I certify that this report accurately reflects all pooled investments and is in conformity with the city of Torrance Investment Policy Statement adopted by resolution 09-118 on December 8, 2009. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet six months of estimated expenditures.


Dana Cortez
City Treasurer

Reviewed by the Investment Advisory Committee:


Lisa Daffron
City Manager


Eric
Director of Finance


John S. Fellenz
City Attorney


Dana Cortez
City Treasurer

**City of Torrance
Portfolio Management
Activity Summary**

June 2009 through June 2010

Month End	Year	Number of Securities	Average Balance	Yield to Maturity 360 Equivalent	Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
June	2009	103	186,356,879.12	2.999	3.041	1,377	6	5	1,068
July	2009	100	172,896,716.22	3.016	3.058	1,035	4	8	1,192
August	2009	102	163,098,619.91	2.958	2.999	0.925	9	7	1,212
September	2009	108	158,250,967.29	2.868	2.908	0.750	6	6	1,210
October	2009	106	153,201,872.01	2.851	2.890	0.646	4	3	1,232
November	2009	100	149,620,161.47	2.858	2.898	0.611	0	3	1,242
December	2009	102	148,276,586.11	2.681	2.718	0.569	8	6	1,225
January	2010	103	154,340,502.72	2.454	2.488	0.560	7	6	1,111
February	2010	102	164,020,836.85	2.322	2.354	0.577	7	9	1,052
March	2010	105	161,231,038.66	2.372	2.405	0.547	7	4	1,116
April	2010	102	160,143,409.68	2.138	2.168	0.588	7	10	1,057
May	2010	99	169,888,452.49	1.922	1.948	0.560	11	14	987
June	2010	97	172,280,902.64	2.105	2.134	0.528	9	11	943
	Average	102	162,539,494.86	2.580%	2.616%	0.713	7	7	1,144
									848

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(II) PURCHASES*											
10885 Citigroup		6/2/2010 FNMA	AAA/Aaa	6/2/2014	1407	2.225%	1,000,000	1,000,000	1,010,630		
10886 Higgins Capital		6/3/2010 FFCB	AAA/Aaa	6/3/2013	1043	2.225%	1,000,000	1,000,000	1,005,000		
10888 Wedbush		6/2/2010 FNMA	AAA/Aaa	6/2/2014	1407	1.681%	1,680,000	2,000,000	2,021,260		
10889 Higgins Capital		6/10/2010 FHLB	AAA/Aaa	12/10/2010	868	0.580%	5,000,000	5,000,000	5,007,800		
10890 Higgins Capital		6/11/2010 FHLB	AAA/Aaa	3/11/2013	959	2.590%	2,000,000	2,000,000	2,010,000		
10891 Higgins Capital		6/3/2010 FHLB	AAA/Aaa	6/3/2011	312	1.500%	4,000,000	4,000,000	4,005,000		
10892 Higgins Capital		6/15/2010 FNMA	AAA/Aaa	6/15/2012	690	1.500%	4,000,000	4,000,000	4,017,520		
10893 Citigroup		6/8/2010 FFCB	AAA/Aaa	6/8/2015	1778	1.125%	1,000,000	1,000,000	1,010,310		
10894 Citigroup		6/28/2010 FNMAA	AAA/Aaa	9/29/2014	1526	2.000%	2,000,000	2,000,000	1,996,880		

\$22,000,000 \$22,000,480 \$22,084,400

Weighted Average Yield
1.500%

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10851 Wedbush		1/14/2010 FFCB	AAA/Aaa	5/22/2012	1.400%	1,400%	1,000,000	1,000,000	1,000,000	
10807 Citigroup		6/1/2009 FNMA	AAA/Aaa	6/1/2012	1.400%	1,400%	2,000,000	2,000,000	2,000,000	
10809 Citigroup		6/15/2009 FFCB	AAA/Aaa	6/15/2012	2.000%	2,000%	2,000,000	1,998,666	2,000,000	
10764 Wedbush		6/25/2008 FHLB	AAA/Aaa	6/25/2012	4.350%	4.350%	1,000,000	1,000,000	1,000,000	
10758 Citigroup		6/3/2008 FFCB	AAA/Aaa	6/3/2013	4.240%	4.240%	1,000,000	1,000,000	1,000,000	
10810 Dean Witter		6/25/2009 FHLMC	AAA/Aaa	6/1/2013	3.000%	3,000%	2,000,000	2,000,000	2,000,000	
10811 Citigroup		6/30/2009 FHLMC	AAA/Aaa	6/30/2014	3.000%	3,000%	1,000,000	1,000,000	1,000,000	
10854 Higgins Capital		3/22/2010 FFCB	AAA/Aaa	9/15/2014	2.650%	2.650%	1,000,000	1,000,000	1,000,000	
10843 Wedbush		12/29/2009 FNMA	AAA/Aaa	12/29/2014	2.750%	2.750%	1,000,000	1,000,000	1,000,000	
10837 Higgins Capital		12/30/2009 FHLB	AAA/Aaa	12/30/2014	2.000%	2,000%	2,000,000	2,000,000	2,000,000	
10844 Great Pacific Securities		12/30/2009 FHLMC	AAA/Aaa	12/30/2014	3.000%	3,000%	1,000,000	1,000,000	1,000,000	

\$15,000,000 \$14,998,666 \$15,000,000

Weighted Average Yield

* At purchase date these investments met or exceeded the quality rating requirements set forth by the Investment Policy.

** At maturity date these investments met or exceeded the quality rating requirements set forth by the Investment Policy.

(III) ALL TRANSACTIONS

DEALER	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS & WITHDRAWALS	INTEREST	END BAL.
State of California	Local Agency Pool	25,100,000	0.528%	0.528%	26,775,000	29,700,000	22,175,000
	City Tran Acct	23,575,000	0.528%	0.528%		23,575,000	0
	RDA	8,100,000	0.528%	0.528%		1,500,000	6,600,000
		\$26,775,000			\$26,775,000	\$54,775,000	\$28,775,000

**City of Torrance
Portfolio Management
Interest Earnings Summary
June 30, 2010**

	June 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	328,649.80	4,571,072.48
Plus Accrued Interest at End of Period	735,092.75	733,504.99
Less Accrued Interest at Beginning of Period	(793,103.14)	(1,346,737.81)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	270,639.41	3,957,839.66
Adjusted by Premiums and Discounts	-4,115.25	-19,734.40
Adjusted by Capital Gains or Losses	1,558.33	176,719.88
Earnings during Periods	268,082.49	4,114,825.14
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	225.88	363,121.81
Plus Accrued Interest at End of Period	705,417.30	705,417.30
Less Accrued Interest at Beginning of Period	(683,486.06)	(818,341.29)
Interest Earned during Period	22,157.12	250,197.82
Total Interest Earned during Period	292,796.53	4,208,037.48
Total Adjustments from Premiums and Discounts	-4,115.25	-19,734.40
Total Capital Gains or Losses	1,558.33	176,719.88
Total Earnings during Period	290,239.61	4,365,022.96

**City of Torrance
Portfolio Management
Portfolio Details - Investments**
June 30, 2010

10

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
Local Agency Investment Funds											
SYS10000	10000	Local Agency Invest Fund GEN'L		22/175/2009	22,175,000.00	22,175,000.00	0.528	0.528	1		
SYS10001	10001	Local Agency Invest Fund RDA		6/600/2009	6,600,000.00	6,600,000.00	0.528	0.528	1		
SYS1000a	1000A	LAF - TRANS FUNDS		0/0/0	0.00	0.00	0.528	0.528	1		
		Subtotal and Average	48,072,500.00		28,775,000.00	28,775,000.00					
Cert. of Deposit - Insured											
3191980DA0	10839	First Bank Lexington Tennessee	12/16/2009	245,000.00	245,000.00	245,000.00	0.050	2.050	900	12/17/2012	
02586TG32	10829	American Express Centurian	09/23/2009	245,000.00	245,000.00	245,000.00	1.800	1.800	449	09/23/2011	
055638PSJ7	10832	BMW Bank of North America	09/23/2009	245,000.00	245,000.00	245,000.00	2.300	2.300	816	09/24/2012	
149159GX7	10830	Cathay Bank	10/05/2009	245,000.00	245,000.00	245,000.00	1.750	1.750	461	10/05/2011	
254670QKWI	10831	Discover Bank	09/23/2009	245,000.00	247,430.40	245,000.00	2.050	2.050	816	09/24/2012	
361595JS1	10838	GE Money Bank	12/11/2009	245,000.00	245,000.00	245,000.00	2.350	2.350	894	12/11/2011	
46147ULM0	10824	Investors Community Bank	08/24/2009	245,000.00	245,000.00	245,000.00	2.250	2.250	785	08/24/2012	
509635EA7	10823	Lake Forest B&T	08/26/2009	245,000.00	245,000.00	245,000.00	2.350	2.350	788	08/27/2012	
59740JGR4	10833	MidFirst Bank	10/14/2009	245,000.00	245,000.00	245,000.00	2.350	2.350	837	10/15/2012	
86789UJBH1	10822	SunSouth Bank	08/18/2009	245,000.00	245,000.00	245,000.00	2.200	2.200	778	08/17/2012	
		Subtotal and Average	2,450,000.00		2,452,430.40	2,450,000.00					
									2.145	752	
Money Market Sweep Account											
SYS10131	10131	Bank of America			0.00	0.00	0.00	0.450	AA	0.450	1
SYS1000	1000	Union Bank of California			0.00	0.00	0.00	0.240	0.240	0.240	1
		Subtotal and Average	970,028.57		0.00	0.00			0.000	0	
Federal Agency Issues - Coupon											
31331XT36	10678	FEDERAL FARM CREDIT BANK	08/01/2007	1,000,000.00	1,091,880.00	1,000,000.00	5.250	AAA	5.250	762	08/01/2012
31331Y2G4	10768	FEDERAL FARM CREDIT BANK	07/01/2008	1,000,000.00	1,000,000.00	1,000,000.00	4.850	AAA	4.850	1,096	07/01/2013
31331GCF4	10776	FEDERAL FARM CREDIT BANK	09/23/2008	1,000,000.00	1,031,880.00	1,000,143.88	3.125	AAA	3.113	449	09/23/2011
31331GDF3	10779	FEDERAL FARM CREDIT BANK	10/15/2008	2,000,000.00	2,021,260.00	2,000,000.00	4.250	AAA	4.250	1,202	10/15/2013
31331GVDB	10800	FEDERAL FARM CREDIT BANK	05/08/2009	1,000,000.00	1,028,440.00	1,000,000.00	2.200	AAA	2.200	1,012	04/08/2013
31331GH77	10818	FEDERAL FARM CREDIT BANK	08/11/2009	1,000,000.00	1,003,750.00	1,000,000.00	3.450	AAA	3.450	1,502	08/11/2014
31331G2J7	10835	FEDERAL FARM CREDIT BANK	10/27/2009	1,000,000.00	1,030,310.00	1,000,000.00	2.875	AAA	2.875	1,579	10/27/2014
31331JAA1	10842	FEDERAL FARM CREDIT BANK	12/22/2009	1,000,000.00	1,012,500.00	1,000,000.00	3.000	AAA	3.000	1,635	12/22/2014
31331JCX9	10857	FEDERAL FARM CREDIT BANK	02/02/2010	1,000,000.00	1,015,310.00	999,413.89	2.950	AAA	2.972	1,677	02/02/2015
31331JDL4	10859	FEDERAL FARM CREDIT BANK	02/11/2010	1,000,000.00	1,008,440.00	1,000,000.00	2.420	AAA	2,420	1,321	02/11/2014
31331JJ3	10866	FEDERAL FARM CREDIT BANK	03/30/2010	1,000,000.00	1,013,750.00	1,000,000.00	2.950	AAA	2,950	1,733	03/30/2015
31331JJ33	10867	FEDERAL FARM CREDIT BANK	03/30/2010	1,000,000.00	1,013,750.00	998,101.11	2.950	AAA	2,993	1,733	03/30/2015

Portfolio CITY

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Run Date 07/25/2010 - 11:50

Run Date 07/25/2010 - 11:50

Print View 7.3

**City of Torrance
Portfolio Management
Portfolio Details - Investments**
June 30, 2010

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
31331JKA0	10870	FEDERAL FARM CREDIT BANK	04/09/2010	1,000,000.00	1,028,440.00	1,000,000.00	2,900	AAA	2,900	1,743	04/09/2015	
31331JJF1	10873	FEDERAL FARM CREDIT BANK	04/13/2010	3,000,000.00	3,029,070.00	2,999,537.24	2,390	AAA	2,395	1,362	03/24/2014	
31331JWW8	10879	FEDERAL FARM CREDIT BANK	05/05/2010	500,000.00	556,565.00	551,049.38	5,000	AAA	2,192	1,394	04/25/2014	
31331JNR0	10883	FEDERAL FARM CREDIT BANK	05/18/2010	1,000,000.00	1,013,440.00	1,000,000.00	2,970	AAA	2,970	1,782	05/18/2015	
31331JNN9	10886	FEDERAL FARM CREDIT BANK	06/03/2010	1,000,000.00	1,005,000.00	1,000,000.00	1,680	AAA	1,680	1,068	06/03/2013	
31331JPH0	10887	FEDERAL FARM CREDIT BANK	05/28/2010	2,000,000.00	2,006,880.00	2,000,000.00	2,800	AAA	2,800	1,790	05/26/2015	
31331JQD8	10893	FEDERAL FARM CREDIT BANK	06/05/2010	1,000,000.00	1,010,310.00	1,000,000.00	2,590	AAA	2,590	1,803	06/08/2015	
31332M4S8	10884	FEDERAL HOME LOAN BANK	08/27/2007	1,000,000.00	1,007,190.00	1,000,000.00	5,125	AAA	5,125	788	08/27/2012	
31332QJA1	10742	FEDERAL HOME LOAN BANK	04/15/2008	2,000,000.00	2,049,380.00	2,000,000.00	3,700	AAA	3,700	1,019	04/15/2013	
31332T6J0	10788	FEDERAL HOME LOAN BANK	02/26/2009	2,000,000.00	2,064,380.00	2,000,000.00	2,625	AAA	2,625	971	02/26/2013	
31332T6W1	10789	FEDERAL HOME LOAN BANK	02/27/2009	2,000,000.00	2,049,380.00	2,000,000.00	2,150	AAA	2,150	606	02/27/2012	
31332TA97	10790	FEDERAL HOME LOAN BANK	03/06/2009	1,000,000.00	1,018,750.00	1,000,000.00	2,100	AAA	2,100	432	09/06/2011	
31332UBA0	10817	FEDERAL HOME LOAN BANK	07/30/2009	1,000,000.00	1,032,810.00	1,000,000.00	2,150	AAA	2,150	1,490	07/30/2014	
31332UNK5	10825	FEDERAL HOME LOAN BANK	08/26/2009	1,000,000.00	1,003,440.00	1,000,000.00	2,850	AAA	2,850	1,152	08/26/2013	
31332UJC1	10826	FEDERAL HOME LOAN BANK	09/15/2009	1,000,000.00	1,003,750.00	1,000,000.00	2,350	AAA	2,350	988	03/15/2013	
31332UPB3	10827	FEDERAL HOME LOAN BANK	09/04/2009	1,000,000.00	1,031,560.00	1,000,000.00	2,125	AAA	2,125	1,526	09/04/2014	
31332WDX4	10845	FEDERAL HOME LOAN BANK	01/05/2010	2,000,000.00	2,015,620.00	2,000,000.00	2,250	AAA	2,250	1,100	07/05/2013	
31332WHJ1	10846	FEDERAL HOME LOAN BANK	12/28/2009	1,500,000.00	1,527,195.00	1,500,000.00	2,050	AAA	2,050	1,093	06/28/2013	
31332WNR6	10848	FEDERAL HOME LOAN BANK	01/27/2010	2,000,000.00	2,016,880.00	2,000,000.00	3,000	AAA	3,000	1,671	01/27/2015	
31332WP52	10850	FEDERAL HOME LOAN BANK	01/27/2010	1,000,000.00	1,005,000.00	1,000,000.00	1,250	AAA	1,250	666	04/27/2012	
31332WPN3	10852	FEDERAL HOME LOAN BANK	01/29/2010	1,000,000.00	1,003,750.00	1,000,000.00	1,600	AAA	1,595	851	10/29/2012	
31332WTG4	10855	FEDERAL HOME LOAN BANK	02/18/2010	1,000,000.00	1,011,560.00	1,000,000.00	2,170	AAA	2,170	1,236	11/18/2013	
31332X7H4	10861	FEDERAL HOME LOAN BANK	03/03/2010	2,000,000.00	2,022,500.00	2,000,000.00	2,100	AAA	2,100	1,160	09/03/2013	
31332XPD3	10865	FEDERAL HOME LOAN BANK	03/26/2010	2,000,000.00	2,033,760.00	2,000,000.00	1,500	AAA	1,500	1,364	03/26/2014	
31332XWQ6	10869	FEDERAL HOME LOAN BANK	04/20/2010	2,000,000.00	2,015,000.00	2,000,000.00	1,999,394.44	3,000	AAA	3,011	1,754	04/20/2015
31332YC94	10875	FEDERAL HOME LOAN BANK	04/29/2010	1,000,000.00	1,007,190.00	1,000,000.00	2,450	AAA	2,450	1,398	04/29/2014	
31332YKF1	10884	FEDERAL HOME LOAN BANK	05/28/2010	1,000,000.00	1,013,440.00	1,000,000.00	2,000	AAA	2,000	1,792	05/28/2015	
31332YMH5	10889	FEDERAL HOME LOAN MORTGAGE CO	06/10/2010	5,000,000.00	5,007,800.00	5,000,000.00	1,500	AAA	1,500	893	12/10/2012	
31332YM69	10890	FEDERAL HOME LOAN MORTGAGE CO	06/11/2010	2,000,000.00	2,010,000.00	2,000,000.00	1,500	AAA	1,500	984	03/11/2013	
31332YPB5	10891	FEDERAL HOME LOAN BANK	06/03/2010	4,000,000.00	4,005,000.00	4,000,443.18	0,580	AAA	0,568	337	06/03/2011	
3128R8QM7	10794	FEDERAL HOME LOAN MORTGAGE CO	03/24/2009	1,000,000.00	1,016,060.00	999,253.89	2,375	AAA	2,396	1,362	03/24/2014	
3128R8TZ5	10798	FEDERAL HOME LOAN MORTGAGE CO	04/20/2009	2,000,000.00	2,030,660.00	2,000,000.00	2,500	AAA	2,500	1,012	04/08/2013	
3128R8E73	10801	FEDERAL HOME LOAN MORTGAGE CO	05/19/2009	1,000,000.00	1,013,780.00	1,000,000.00	2,170	AAA	2,170	872	11/19/2012	
3128R8MS8	10802	FEDERAL HOME LOAN MORTGAGE CO	05/07/2009	1,000,000.00	1,002,800.00	1,000,770.53	2,350	AAA	2,129	610	03/02/2012	
3128R8V3	10814	FEDERAL HOME LOAN MORTGAGE CO	07/14/2009	1,000,000.00	1,016,470.00	1,000,000.00	3,400	AAA	3,400	1,474	07/14/2014	
3128R9XX3	10858	FEDERAL HOME LOAN MORTGAGE CO	02/17/2010	1,000,000.00	1,015,690.00	1,000,000.00	3,000	AAA	3,000	1,692	02/17/2015	

City of Torrance
Portfolio Management
Portfolio Details - Investments
June 30, 2010

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3128X95K2	10872	FEDERAL HOME LOAN MORTGAGE CO	05/05/2010	1,000,000.00	1,001,910.00	1,000,000.00	2.500	AAA	2.500	1.223	11/05/2013	
3134G1AS3	10876	FEDERAL HOME LOAN MORTGAGE CO	05/18/2010	2,000,000.00	2,018,040.00	1,999,238.89	3.000	AAA	3.011	1.782	05/18/2015	
3134G1BX1	10877	FEDERAL HOME LOAN MORTGAGE CO	05/19/2010	2,000,000.00	2,018,560.00	2,000,000.00	3.050	AAA	3.050	1.783	05/19/2015	
3134G1DS0	10881	FEDERAL HOME LOAN MORTGAGE CO	05/26/2010	2,000,000.00	2,017,660.00	2,000,000.00	3.000	AAA	3.000	1.790	05/26/2015	
3136FHAK1	10786	FEDERAL NATIONAL MORT ASSOC	02/27/2009	1,000,000.00	1,002,810.00	1,000,000.00	2.625	AAA	2.625	788	08/27/2012	
3136FHCF0	10793	FEDERAL NATIONAL MORT ASSOC	03/05/2009	1,000,000.00	1,010,940.00	1,000,000.00	2.250	AAA	2.250	603	02/24/2012	
3136FHPX7	10799	FEDERAL NATIONAL MORT ASSOC	05/14/2009	2,000,000.00	2,032,500.00	2,000,000.00	2.125	AAA	2.125	1,413	05/14/2014	
3136FHFX7	10808	FEDERAL NATIONAL MORT ASSOC	06/10/2009	2,000,000.00	2,013,120.00	2,000,000.00	2.000	AAA	2.000	893	12/10/2012	
31398AYN6	10815	FEDERAL NATIONAL MORT ASSOC	07/28/2009	2,000,000.00	2,038,120.00	2,000,000.00	3.000	AAA	3.000	1,488	07/28/2014	
3136FKS83	10847	FEDERAL NATIONAL MORT ASSOC	01/15/2010	1,000,000.00	1,000,940.00	1,000,000.00	3.300	AAA	3.300	1,659	01/15/2015	
3136EJY70	10853	FEDERAL NATIONAL MORT ASSOC	02/09/2010	1,000,000.00	1,002,810.00	1,000,000.00	3.100	AAA	3.100	1,684	02/09/2015	
3136FJ4C2	10856	FEDERAL NATIONAL MORT ASSOC	02/23/2010	1,000,000.00	1,015,310.00	1,000,000.00	2.000	AAA	2.000	1,149	08/23/2013	
3136FMCJ1	10862	FEDERAL NATIONAL MORT ASSOC	03/10/2010	1,000,000.00	1,014,380.00	1,000,000.00	2.650	AAA	2.650	1,532	09/10/2014	
3136FMCJ9	10863	FEDERAL NATIONAL MORT ASSOC	03/17/2010	1,000,000.00	1,013,440.00	1,000,000.00	2.760	AAA	2.760	1,720	03/17/2015	
3136FMJR6	10868	FEDERAL NATIONAL MORT ASSOC	04/15/2010	1,000,000.00	1,004,690.00	1,000,000.00	2.125	AAA	2.125	1,749	04/15/2015	
31398AM74	10871	FEDERAL NATIONAL MORT ASSOC	04/21/2010	1,000,000.00	1,014,690.00	1,000,000.00	2.125	AAA	2.125	1,208	10/21/2013	
3136FMRF3	10878	FEDERAL NATIONAL MORT ASSOC	05/19/2010	1,000,000.00	1,009,060.00	1,000,000.00	3.125	AAA	3.125	1,783	05/19/2015	
3136FMSX3	10880	FEDERAL NATIONAL MORT ASSOC	05/14/2010	1,000,000.00	1,009,380.00	1,000,000.00	2.375	AAA	2.375	1,413	05/14/2014	
3136FMSR6	10882	FEDERAL NATIONAL MORT ASSOC	05/27/2010	1,000,000.00	1,003,130.00	1,000,000.00	2.750	AAA	2.750	1,791	05/27/2015	
3136FMUK8	10885	FEDERAL NATIONAL MORT ASSOC	06/02/2010	1,000,000.00	1,010,630.00	1,000,000.00	2.250	AAA	2.250	1,432	06/02/2014	
3136FMUK8	10888	FEDERAL NATIONAL MORT ASSOC	06/02/2010	2,000,000.00	2,021,260.00	2,000,000.00	2.250	AAA	2.250	1,432	06/02/2014	
3136FMWS9	10892	FEDERAL NATIONAL MORT ASSOC	06/15/2010	4,000,000.00	4,017,520.00	4,000,000.00	1.125	AAA	1.125	715	06/15/2012	
3136FMQ23	10894	FEDERAL NATIONAL MORT ASSOC	06/28/2010	2,000,000.00	1,996,880.00	2,000,000.00	2.000	AAA	2.000	1,551	09/29/2014	
		Subtotal and Average	105,946,954.47		104,259,550.00	103,047,346.43				2,434	1,239	
Treasury Securities - Coupon												
9128ZDZ0	10579	U S TREASURY NOTE	07/25/2005	1,000,000.00	1,001,410.00	999,937.36	3.875	AAA	4.057	14	07/15/2010	
		Subtotal and Average	999,872.49			999,937.36				4.057	14	
Medium Term Notes												
08466AF8	10709	Berkshire Hathaway	01/15/2008	1,000,000.00	1,015,370.00	1,002,360.04	4.200	AA	3,648	167	12/15/2010	
08466AD3	10714	Berkshire Hathaway	01/18/2008	1,000,000.00	1,091,650.00	1,009,348.27	4,625	AA	4,300	1,202	10/15/2013	
08466AF8	10795	Berkshire Hathaway	03/10/2009	1,000,000.00	1,015,370.00	1,004,519.69	4,200	AA	3,170	167	12/15/2010	
17314JAT0	10874	Citibank	04/15/2010	3,000,000.00	3,053,490.00	3,014,519.78	1,750	AAA	1,112	911	12/28/2012	
36967HAY3	10812	General Electric Capital Corp	06/22/2009	2,000,000.00	2,078,350.00	2,014,506.47	2,625	AAA	2,320	911	12/28/2012	
594918AB0	10821	MicroSoft Corp	08/17/2009	1,000,000.00	1,046,370.00	1,000,000.00	2,950	AAA	2,949	1,431	06/01/2014	

Portfolio CITY

AP

PM (PRF - PM2) ; 25

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**City of Torrance
Portfolio Management
Portfolio Details - Investments**
June 30, 2010

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Medium Term Notes												
64952VNAE3	10697	New York Life Global		11/02/2007	1,000,000.00	1,003,010.00	999,991.04	4.625	AAA	4.630	46	08/16/2010
931142CN1	10820	WalMart Stores		08/14/2009	2,000,000.00	2,085,340.00	2,006,536.28	3.000	AA	2.902	1,313	02/03/2014
949746NB3	10715	Wells Fargo Co		01/23/2008	1,000,000.00	1,020,540.00	1,004,332.79	4.875	AA	4.000	195	01/12/2011
		Subtotal and Average	13,057,705.71		13,000,000.00	13,409,500.00	13,056,114.36			2.805	789	
Municipal Bond Issues - Coupon												
SYS10423	10423	Skipk-2001TxAllocRef Bd		12/18/2001	783,841.40	783,841.40	783,841.40	8.000		7.999	731	07/01/2011
		Subtotal and Average	783,841.40		783,841.40	783,841.40	783,841.40		7.999	731		
		Total and Average	172,280,902.64		149,008,841.40	150,681,731.80	149,112,239.55		2.134	943		

**City of Torrance
Portfolio Management
Portfolio Details - Cash
June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
	Average Balance		0.00	Accrued Interest at Purchase		4,478.61	4,478.61				0
		Subtotal			4,478.61	4,478.61					
Total Cash and Investments	172,280,902.64		149,008,841.40	150,666,210.41		149,116,718.16		2.134	943		

II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF JUNE 30, 2010

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
General	43,415,132.97	49,058,082.91	29.12
Parks & Recr Facility & Open Space	3,461,461.60	3,911,370.49	2.32
State Gas Tax	6,428,197.92	7,263,713.02	4.31
Federal Housing, Community Dev	363,354.23	410,581.77	0.24
Street Lighting	57,397.38	64,857.69	0.04
Traffic Congestion Relief Act 2000 - AB2928	865,816.85	978,352.75	0.58
Proposition 1B	2,553,096.53	2,884,939.25	1.71
Police Asset Forfeiture	3,059,631.06	3,457,311.40	2.05
Drainage Improvement	17,284.58	19,531.17	0.01
Measure R Local Return	843,777.36	953,448.65	0.57
Government Cable	2,458,821.99	2,778,411.23	1.65
Local Return - Proposition C	5,044,837.32	5,700,547.96	3.38
Grants/Donations	(1,656,039.61)	(1,871,285.95) (B)	(1.11)
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	122,093.34	137,962.61	0.08
Seismic Education Fund	51,066.01	57,703.40	0.03
Rehabilitation Housing	574,732.92	649,434.73	0.39
Meadow Park Parking Lot	33,781.25	38,172.02	0.02
Police Inmate Welfare Fund	45,519.24	51,435.67	0.03
Capital Improvements	19,986,251.23	22,583,995.55	13.40
Geologic Hazard Abatement	12,669.86	14,316.64	0.01
EI Camino Training Fund-Fire	545,208.36	616,072.67	0.37
EI Camino Training Fund-Police	43,447.66	49,094.84	0.03
Vanpool/Rideshare Fund	335,361.73	378,950.90	0.22
Torrance Improvement Fund	-	-	0.00
Animal Control Fund	53,697.28	60,676.67	0.04
Redevelopment-Capital Proj	5,795,247.99	6,548,494.43	3.89
Redevelopment Debt Service	2,437,020.19	2,753,775.71	1.63
Underground Storage Tank Fund	2,654.92	3,000.00	0.00
DNA Sampling Fund	37,434.40	42,300.00	0.03
Airport Fund	4,805,658.13	5,430,281.08	3.22
Transit Operations	1,113,857.14	1,258,632.47	0.75
Development Impact Fund	862,360.32	974,446.95	0.58
Water Operations	4,440,751.37	5,017,944.99	2.98
Emergency Medical Service Enterprise Fund	-	-	0.00
Sanitation Operations	1,977,332.98	2,234,339.93	1.33
Cultural Arts Enterprise	386,379.79	436,600.11	0.26
Sewer Enterprise Fund	9,580,043.26	10,825,224.39	6.42
Parks & Recreation Enterprise Fund	(132,371.61)	(149,576.82)	(0.09)
Self Insurance Fund	8,579,160.08	9,694,249.85	5.75
Fleet Services	11,325,745.93	12,797,827.51	7.60
Postemployment/Compensated Absences Fund	6,271,366.38	7,086,497.05	4.21
Trust & Agency	2,912,999.21	3,291,620.85	1.95
TOTAL	149,112,239.55	168,493,336.54	100.00

(A) The difference between the Share of Investments total of \$149,112,239.55 and the Pooled Cash and Investments total of \$168,493,336.54 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) 2008 UASI Grant for Fire-Breathing Apparatus has a negative cash balance of <\$301,733>. The reimbursement request will be submitted to the City of Los Angeles after the last invoice and been received and paid. The City of Los Angeles processes the reimbursement and sends it to the State.

T-051 Crenshaw Blvd. Rehabilitation has a negative cash balance of <\$1,130,257>.

A reimbursement request in the amount of \$315,293 was submitted in June 2010.

Another reimbursement request in the approximated amount of \$920,000 will be submitted by the end of July 2010.

T-30 Del Amo Blvd Extension has a negative cash balance of <\$956,077>

A reimbursement request in the amount of \$846,475 was submitted on 7/6/10.

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF JUNE 30, 2010**

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)	149,112,239.55
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CASH AND INVESTMENTS PER BOOKS	168,493,336.54
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CASH IN BANKS:

Cash in B of A General Account	(\$23,286,952.39)
Cash in B of A Payroll Account	0.00

OUTSTANDING WARRANTS:

General Account	1,837,981.35
Payroll Account	109,545.06
Workers Compensation Account	<u>92,004.45</u>
	2,039,530.86

Miscellaneous outstanding adjusting journal entries	48,643.13
Payroll for PE 6/30/10 posted on 6/30/10 and paid on 7/9/10	1,817,681.41

INVESTMENTS PER BOOKS	\$149,112,239.55
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